



[Billing code: 6750-01-S]

## **FEDERAL TRADE COMMISSION**

### **Agency Information Collection Activities; Submission; Comment Request; Extension**

**AGENCY:** Federal Trade Commission (“FTC” or “Commission”).

**ACTION:** Notice.

**SUMMARY:** The FTC intends to ask the Office of Management and Budget (“OMB”) to extend for an additional three years the current Paperwork Reduction Act (“PRA”) clearance for the FTC’s enforcement of the information collection requirements in four consumer financial regulations enforced by the Commission. Those clearances expire on June 30, 2015.

**DATES:** Comments must be filed by [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE **FEDERAL REGISTER**].

**ADDRESSES:** Interested parties may file a comment online or on paper, by following the instructions in the Request for Comment part of the **SUPPLEMENTARY INFORMATION** section below. Write “Regs BEMZ, PRA Comments, P084812” on your comment and file your comment online at <https://ftcpublic.commentworks.com/ftc/RegsBEMZpra2> by following the instructions on the web-based form. If you prefer to file your comment on paper, mail or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue, NW, Suite CC-5610 (Annex J), Washington, DC 20580, or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7<sup>th</sup> Street, SW, 5<sup>th</sup> Floor, Suite 5610 (Annex J), Washington, DC 20024.

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information or copies of the proposed information requirements should be addressed to Carole Reynolds or Thomas Kane, Attorneys, Division of Financial Practices, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Ave., NW, Washington, DC 20580, (202) 326-3224.

**SUPPLEMENTARY INFORMATION:** The four regulations covered by this notice are:

(1) Regulations promulgated under the Equal Credit Opportunity Act, 15 U.S.C. 1691 et seq. (“ECOA”) (“Regulation B”) (OMB Control Number: 3084-0087);

(2) Regulations promulgated under the Electronic Fund Transfer Act, 15 U.S.C. 1693 et seq. (“EFTA”) (“Regulation E”) (OMB Control Number: 3084-0085);

(3) Regulations promulgated under the Consumer Leasing Act, 15 U.S.C. 1667 et seq. (“CLA”) (“Regulation M”) (OMB Control Number: 3084-0086); and

(4) Regulations promulgated under the Truth-In-Lending Act, 15 U.S.C. 1601 et seq. (“TILA”) (“Regulation Z”) (OMB Control Number: 3084-0088).

The FTC enforces these statutes as to all businesses engaged in conduct these laws cover unless these businesses (such as federally chartered or insured depository institutions) are subject to the regulatory authority of another federal agency.

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”), Public Law 111–203, 124 Stat. 1376 (2010), almost all rulemaking authority for the ECOA, EFTA, CLA, and TILA transferred from the Board of Governors of the Federal Reserve System (Board) to the Consumer Financial Protection Bureau (CFPB) on July 21, 2011 (“transfer date”). To implement this transferred authority, the CFPB published interim final rules for new regulations in 12 CFR part 1002 (Regulation B), 12 CFR Part 1005 (Regulation E), 12 CFR part

1013 (Regulation M), and 12 CFR part 1026 (Regulation Z) for those entities under its rulemaking jurisdiction.<sup>1</sup> Although the Dodd-Frank Act transferred most rulemaking authority under ECOA, EFTA, CLA, and TILA to the CFPB, the Board retained rulemaking authority for certain motor vehicle dealers<sup>2</sup> under all of these statutes and also for certain interchange-related requirements under EFTA.<sup>3</sup>

As a result of the Dodd-Frank Act, the FTC and the CFPB now share the authority to enforce Regulations B, E, M, and Z for entities for which the FTC had enforcement authority before the Act, except for certain motor vehicle dealers. Because of this shared enforcement jurisdiction, the two agencies have divided the FTC's previously-cleared PRA burden between them,<sup>4</sup> except that the FTC has assumed all of the part of that burden associated with motor vehicle dealers (for brevity, referred to in the burden summaries below as a "carve-out").<sup>5</sup> The division of PRA burden hours not attributable to motor vehicle dealers is reflected in the CFPB's PRA clearance requests to OMB, as well as in the FTC's burden estimates below.

As a result of the Dodd-Frank Act, the FTC generally has sole authority to enforce Regulations B, E, M, and Z regarding certain motor vehicle dealers predominantly engaged in

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<sup>1</sup> 12 CFR part 1002 (Reg. B) (76 FR 79442, Dec. 21, 2011); 12 CFR part 1005 (Reg. E) (76 FR 81020, Dec. 27, 2011); 12 CFR part 1013 (Reg. M) (76 FR 78500, Dec. 19, 2011); 12 CFR part 1026 (Reg. Z) (76 FR 79768, Dec. 22, 2011).

<sup>2</sup> Generally, these are dealers "predominantly engaged in the sale and servicing of motor vehicles, the leasing and servicing of motor vehicles, or both." See Dodd-Frank Act, sec. 1029(a), -(c).

<sup>3</sup> See Dodd-Frank Act, sec. 1075 (these requirements are implemented through Board Regulation II, 12 CFR part 235, rather than EFTA's implementing Regulation E).

<sup>4</sup> The CFPB also factored into its burden estimates respondents over which it has jurisdiction but the FTC does not.

<sup>5</sup> See Dodd-Frank Act sec. 1029 (a), as limited by subsection (b). Subsection (b) does not preclude CFPB regulatory oversight regarding, among others, businesses that extend retail credit or retail leases for motor vehicles in which the credit or lease offered is provided directly from those businesses, rather than unaffiliated third parties, to consumers. It is not practicable, however, for PRA purposes, to estimate the portion of dealers that engage in one form of financing versus another (and that would or would not be subject to CFPB oversight). Thus, FTC staff's "carve-out" for this PRA burden analysis reflects a general estimated volume of motor vehicle dealers. This attribution does not change actual enforcement authority.

the sale and servicing of motor vehicles, the leasing and servicing of motor vehicles, or both, that, among other things, assign their contracts to unaffiliated third parties.<sup>6</sup> Because the FTC has exclusive jurisdiction to enforce these rules for such motor vehicle dealers and retains its concurrent authority with the CFPB for other types of motor vehicle dealers, and in view of the different types of motor vehicle dealers, the FTC is including for itself the entire PRA burden for all motor vehicle dealers in the burden estimates below.

The regulations impose certain recordkeeping and disclosure requirements associated with providing credit or with other financial transactions. Under the PRA, 44 U.S.C. 3501-3521, Federal agencies must get OMB approval for each collection of information they conduct or sponsor. “Collection of information” includes agency requests or requirements to submit reports, keep records, or provide information to a third party. *See* 44 U.S.C. 3502(3); 5 CFR 1320.3(c).

All four of these regulations require covered entities to keep certain records, but FTC staff believes these records are kept in the normal course of business even absent the particular recordkeeping requirements.<sup>7</sup> Covered entities, however, may incur some burden associated with ensuring that they do not prematurely dispose of relevant records (i.e., during the time span they must retain records under the applicable regulation).

The regulations also require covered entities to make disclosures to third-parties. Related compliance involves set-up/monitoring and transaction-specific costs. “Set-up” burden, incurred only by covered new entrants, includes their identifying the applicable required disclosures, determining how best to comply, and designing and developing compliance systems and procedures. “Monitoring” burden, incurred by all covered entities, includes their time and costs

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<sup>6</sup> *See* Dodd-Frank Act, sec 1029(a)-(c).

<sup>7</sup> PRA “burden” does not include “time, effort, and financial resources” expended in the ordinary course of business, regardless of any regulatory requirement. *See* 5 CFR 1320.3(b)(2).

to review changes to regulatory requirements, make necessary revisions to compliance systems and procedures, and to monitor the ongoing operation of systems and procedures to ensure continued compliance. “Transaction-related” burden refers to the time and cost associated with providing the various required disclosures in individual transactions.

The required disclosures do not impose PRA burden on some covered entities because they make those disclosures in their normal course of activities. For other covered entities that do not, their compliance burden will vary widely depending on the extent to which they have developed effective computer-based or electronic systems and procedures to communicate and document required disclosures.<sup>8</sup>

Calculating the burden associated with the four regulations’ disclosure requirements is very difficult because of the highly diverse group of affected entities. The “respondents” included in the following burden calculations consist of, among others, credit and lease advertisers, creditors, owners (such as purchasers and assignees) of credit obligations, financial institutions, service providers, certain government agencies and others involved in delivering electronic fund transfers (“EFTs”) of government benefits, and lessors.<sup>9</sup> The burden estimates represent FTC staff’s best assessment, based on its knowledge and expertise relating to the financial services industry, of the average time to complete the aforementioned tasks associated with recordkeeping and disclosure. Staff considered the wide variations in covered entities’ (1) size and location; (2) credit or lease products offered, extended, or advertised, and their

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<sup>8</sup> For example, large companies may use computer-based and/or electronic means to provide required disclosures, including issuing some disclosures en masse, e.g., notice of changes in terms. Smaller companies may have less automated compliance systems but may nonetheless rely on electronic mechanisms for disclosures and recordkeeping. Regardless of size, some entities may utilize compliance systems that are fully integrated into their general business operational system; if so, they may have minimal additional burden. Other entities may have incorporated fewer of these approaches into their systems and thus may have a higher burden.

<sup>9</sup> The Commission generally does not have jurisdiction over banks, thrifts, and federal credit unions under the applicable regulations.

particular terms; (3) EFT types used; (4) types and frequency of adverse actions taken; (5) types of appraisal reports utilized; and (6) computer systems and electronic features of compliance operations.

The cost estimates that follow relate solely to labor costs, and they include the time necessary to train employees how to comply with the regulations. Staff calculated labor costs by multiplying appropriate hourly wage rates by the burden hours described above. The hourly rates used were \$56 for managerial oversight, \$42 for skilled technical services, and \$17 for clerical work. These figures are averages drawn from Bureau of Labor Statistics data.<sup>10</sup> Further, the FTC cost estimates assume the following labor category apportionments, except where otherwise indicated below: recordkeeping – 10% skilled technical, 90% clerical; disclosure – 10% managerial, 90% skilled technical.

The applicable PRA requirements impose minimal capital or other non-labor costs. Affected entities generally already have the necessary equipment for other business purposes. Similarly, FTC staff estimates that compliance with these rules entails minimal printing and copying costs beyond that associated with documenting financial transactions in the ordinary course of business.

On April 2, 2015, the FTC sought public comment on the information collection requirements associated with these four regulations. 80 FR 17749. The Commission received a comment from the National Automobile Dealers Association (“NADA”) pertaining to regulatory burden affecting Regulations B, M, and Z. The comment repeats many of the points NADA made in its comments submitted in 2012 when the FTC last sought renewed OMB clearance

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<sup>10</sup> These inputs are based broadly on mean hourly data found within the “Bureau of Labor Statistics, Economic News Release,” March 25, 2015, Table 1, “National employment and wage data from the Occupational Employment Statistics survey by occupation, May 2014.” <http://www.bls.gov/news.release/ocwage.t01.htm>.

regarding the FTC's enforcement oversight of the recordkeeping and disclosure provisions of these regulations issued by the Federal Reserve Board and Consumer Financial Protection Bureau.<sup>11</sup>

As before, NADA asserts that the FTC's burden estimates greatly underestimate its members'<sup>12</sup> regulatory burdens under these rules, particularly those under Regulations B, M, and Z. Despite the FTC's prior and continuing explanation in its Federal Register Notices regarding the terms "setup," "monitoring," and "transaction-related," NADA has misinterpreted FTC estimates of *disclosure time per transaction* as the estimated time the FTC accords to *monitoring to review compliance*.<sup>13</sup> Rather, FTC estimates of "monitoring" burden address covered entities' time and costs to review changes to regulatory requirements, make necessary revisions to compliance systems and procedures, and to monitor the ongoing operation of systems and procedures *to ensure continued compliance*. "Transaction-related" burden, by contrast, refers to the *disclosure time and cost per individual transaction*, thus, generally, of much lesser magnitude than "monitoring" (or "setup") burden. And, as stated in the FTC's April 27, 2012 Federal Register Notice – and as still applicable here – the population of affected motor vehicle dealers is one component of a much larger universe of such entities.<sup>14</sup>

In addition, NADA's comment states that, for both Regulations Z and M, respectively,

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<sup>11</sup> NADA's 2015 comment and related 2012 comment are available at <https://ftcpublishcommentworks.com/ftc/RegsBEMZpra2>. The remaining (two) commenters' submissions were not relevant to the statutes and regulations at issue.

<sup>12</sup> NADA states that it represents approximately 16,000 new car and truck dealers, both domestic and import, with over 32,500 separate franchises. *Id.*

<sup>13</sup> In NADA's 2015 comment, it misread the 15 second and 60 second estimates the FTC accorded to disclosure time per lease and credit advertisement, respectively, as the time the FTC estimated for dealer monitoring of advertisements for respective compliance under Regulations M and Z. In actuality, the FTC estimate for the latter monitoring category, and as reappearing in the Regulation M and Z disclosure hour tables in this Notice, is 30 minutes for lease advertising and 30 minutes for closed-end credit advertising.

<sup>14</sup> See 77 FR 25170, 25174.

the estimates that assumed an average of two advertising transactions per respondent for credit, and forty per respondent for leasing, are not adequate, and that dealers advertise hundreds, if not thousands, of vehicles per year with many ads being subject to Regulations Z or M.

However, the FTC's estimates of transaction time and volume are intended as averages: for Regulation Z, highly diverse entities and types of transactions are covered, and for both regulations, some respondents may have more covered ads, and others may have fewer (if any). Moreover, the number of vehicles advertised is not the issue for compliance with the requirements; rather, the question is whether specific terms used in the advertisements trigger the disclosure responsibilities of these regulations.<sup>15</sup> Some entities' advertisements may not include terms that are covered by these requirements at all, or they may be subject to exceptions such that disclosures are inapplicable.<sup>16</sup>

Nonetheless, in recognition of motor vehicle dealers' substantially greater proportion of overall covered entities under Regulation M, the FTC estimates for that regulation have been partially revised in response to some of NADA's comments. This is covered in more detail in the discussion of Regulation M and related burden calculation tables.<sup>17</sup>

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<sup>15</sup> Further, to facilitate compliance, both regulations permit the use of illustrative transactions to make the necessary disclosures. That is, where a range of terms is possible or offered, the ad may use examples of typical transactions and include the required disclosures, rather than stating a wide list of transactions and terms for multiple vehicles. See 12 CFR 1013.7(d)(1)-1, Supp. 1, and 12 CFR 213.7(d)(1)-1, Supp. 1, CFPB and FRB Regulation M Official Staff Commentaries, respectively (leases); 12 CFR 1026.24(d)(2)-5, Supp. 1, and 12 CFR 226.24(d)(2)-5, Supp. 1, CFPB and FRB Regulation Z Official Staff Commentaries, respectively (credit).

<sup>16</sup> For example, some advertisements may promote sale prices rather than credit or lease terms, and are not subject to Regulations Z or M. Other ads generally may promote the availability of financing or leasing without specific terms, such as "welcome college graduates and military." Some ads may offer terms that do not trigger advertising responsibilities under Regulations Z or M, such as "take years to repay" or "we offer long-term leasing." Still other ads may promote terms that are subject to exceptions under Regulation Z, and disclosures would not be required, such as "no downpayment required," in credit ads.

<sup>17</sup> The FTC has retained its burden and cost estimates for Regulations B and Z. As noted above, these regulations apply to a wide variety of entities and transactions. Some entities provide disclosures in the ordinary course of business - which is not included in PRA burden; others have minimal setup burden and few transactions covered by



The following discussion and tables present FTC estimates under the PRA of recordkeeping and disclosure average time and labor costs, excluding that which the FTC believes entities incur customarily in the ordinary course of business<sup>18</sup> and information compiled and produced in response to FTC law enforcement investigations or prosecutions.<sup>19</sup>

## 1. Regulation B

The ECOA prohibits discrimination in the extension of credit. Regulation B implements the ECOA, establishing disclosure requirements to assist customers in understanding their rights

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the requirements, while other entities may have more setup and transaction-related burden. The FTC's estimates reflect these complex considerations. Moreover, based on the FTC's administrative experience in this enforcement area, some dealers use the same or similar advertisements for many of their franchises or locations— an approach that can facilitate compliance by limiting the number of applicable advertisements for which disclosures are provided, and hence, costs.

In addition, we note that the report developed for NADA and attached to NADA's comment by the Center for Automotive Research ("CAR Report") addresses the impact on franchised automobile dealerships related to many federal statutes, regulations, and requirements. NADA stated these requirements cover diverse issues but that the regulations in this matter still "represent a material portion of dealers' regulatory obligations." See, e.g., NADA comment, CAR Report at 2, 3, 19-34. However, NADA's specific points refer to a generalized concern about regulatory burden for automobile dealers. Because franchised automobile dealers are a component of a broad, highly diverse population of credit entities and transactions, we believe that the estimates for Regulations B and Z remain reasonable, bearing in mind the complexity of this assessment for such a wide-ranging group.

<sup>18</sup> See *supra* note 7 and accompanying text.

<sup>19</sup> See 5 CFR 1320.4(a) (excluding information collected in response to, among other things, a federal civil action or "during the conduct of an administrative action, investigation, or audit involving an agency against specific individuals or entities").

FTC enforcement initiatives are based on diverse statutory and regulatory requirements. Some actions are brought in partnership with other federal and state agencies and encompass matters enforced by those agencies, not solely issues related to Regulations M and Z. Further, even where Regulations M and Z matters also are involved in FTC actions, or are in the broader initiative or enforcement sweep of automobile actions, the actions frequently include charges of unfair and/or deceptive practices under Section 5 of the FTC Act, 15 U.S.C. 45(a), and/or may involve warranty violations under the Magnuson Moss Warranty Act, 15 U.S.C. 2301-2312, and other issues not pertinent to this PRA submission. See, e.g., FTC, Press Release, *FTC, Multiple Law Enforcement Partners Announce Crackdown on Deception, Fraud in Auto Sales, Financing and Leasing*, Mar. 26, 2015, available at <https://www.ftc.gov/news-events/press-releases/2015/03/ftc-multiple-law-enforcement-partners-announce-crackdown>. The FTC also frequently issues business "blog" guidance with its enforcement initiatives to guide and facilitate compliance. See, e.g., Lesley Fair, *Operation Ruse Control: Six tips if cars are up your alley*, FTC BUSINESS CENTER BLOG (Mar. 26, 2015), available at <https://www.ftc.gov/news-events/blogs/business-blog/2015/03/operation-ruse-control-6-tips-if-cars-are-your-alley>; Lesley Fair, "Advertise auto promotions car-fully," FTC BUSINESS CENTER BLOG (Dec. 23, 2014), available at <https://www.ftc.gov/news-events/blogs/business-blog/2014/12/advertise-auto-promotions-car-fully>.

under the ECOA and recordkeeping requirements to assist agencies in enforcement. Regulation B applies to retailers, mortgage lenders, mortgage brokers, finance companies, and others.

### Recordkeeping

FTC staff estimates that Regulation B's general recordkeeping requirements affect 530,080 credit firms subject to the Commission's jurisdiction, at an average annual burden of 1.25 hours per firm for a total of 662,600 hours.<sup>20</sup> Staff also estimates that the requirement that mortgage creditors monitor information about race/national origin, sex, age, and marital status imposes a maximum burden of one minute each (of skilled technical time) for approximately 2.9 million credit applications (based on industry data regarding the approximate number of mortgage purchase and refinance originations), for a total of 48,333 hours.<sup>21</sup> Staff also estimates that recordkeeping of self-testing subject to the regulation would affect 1,375 firms, with an average annual burden of one hour (of skilled technical time) per firm, for a total of 1,375 hours, and that recordkeeping of any corrective action as a result of self-testing would affect 10% of them, i.e., 138 firms, with an average annual burden of four hours (of skilled technical time) per firm, for a total of 552 hours.<sup>22</sup> Keeping records of race/national origin, sex, age, and marital status requires an estimated one minute of skilled technical time.

### Disclosure

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<sup>20</sup> Section 1071 of the Dodd-Frank Act amends the ECOA to require financial institutions to collect and report information concerning credit applications by women- or minority-owned businesses and small businesses, effective on the July 21, 2011 transfer date. Both the CFPB and the Board have exempted affected entities from complying with this requirement until a date set by the prospective final rules these agencies issue to implement the Dodd-Frank Act's requirements. The Commission will address PRA burden for its enforcement of these requirements after the CFPB and the Board have issued the associated final rules.

<sup>21</sup> Regulation B contains model forms that creditors may use to gather and retain the required information.

<sup>22</sup> In contrast to banks, for example, entities under FTC jurisdiction are not subject to audits for compliance with Regulation B; rather they may be subject to FTC investigations and enforcement actions. This may impact the level of self-testing (as specifically defined by Regulation B) in a given year, and staff has sought to address such factors in its burden estimates.

Regulation B requires that creditors (i.e., entities that regularly participate in the decision whether to extend credit under Regulation B) provide notices whenever they take adverse action, such as denial of a credit application. It requires entities that extend mortgage credit with first liens to provide a copy of the appraisal report or other written valuation to applicants.<sup>23</sup> Finally, Regulation B also requires that for accounts which spouses may use or for which they are contractually liable, creditors who report credit history must do so in a manner reflecting both spouses' participation. Further, it requires creditors that collect applicant characteristics for purposes of conducting a self-test to disclose to those applicants that: (1) providing the information is optional; (2) the creditor will not take the information into account in any aspect of the credit transactions; and (3) if applicable, the information will be noted by visual observation or surname if the applicant chooses not to provide it.<sup>24</sup>

#### Burden Totals

Recordkeeping: **712,860 hours** (637,310 + 75,550 carve-out for motor vehicles);

**\$15,031,620** (\$13,550,520 + \$1,481,100 carve-out for motor vehicles),

**associated labor costs**

Disclosures: **1,166,563 hours** (1,036,040 + 130,523 carve-out for motor vehicles);

**\$50,628,816** (\$44,964,122 + \$5,664,694 carve-out for motor vehicles),

**associated labor costs**

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<sup>23</sup> While the rule also requires the creditor to provide a short written disclosure regarding the appraisal process, the disclosure is now provided by the CFPB, and is thus not a "collection of information" for PRA purposes. See 5 CFR 1320.3(c)(2) and CFPB, Final Rule, Disclosure and Delivery Requirements for Copies of Appraisals and Other Written Valuations Under the Equal Credit Opportunity Act (Regulation B), 78 FR 7216, 7247 (Jan. 31, 2013). Accordingly, it is not included in burden estimates below.

<sup>24</sup> The disclosure may be provided orally or in writing. The model form provided by Regulation B assists creditors in providing the written disclosure.



## Regulation B: Disclosures – Burden Hours

Disclosures	Respondents	----- Setup/Monitoring <sup>1</sup> -----		Number of Transactions	----- Transaction-related <sup>2</sup> -----		
		Average Burden per Respondent (hours)	Total Setup/Monitoring Burden (hours)		Average Burden per Transaction (minutes)	Total Transaction Burden (hours)	Total Burden (hours)
Credit history reporting	132,520	.25	33,130	66,260,000	.25	276,083	309,213
Adverse action notices	530,080	.75	397,560	106,016,000	.25	441,733	839,293
Appraisal reports/written valuations	5,000	1	5,000	1,450,000	.50	12,083	17,083
Self-test disclosures	1,375	.5	688	68,750	.25	286	974
Total							1,166,563

<sup>1</sup> The estimates assume that all applicable entities would be affected, with respect to appraisal reports and other written valuations (with the FTC having approximately one-half of that amount). An increase in burden is noted due to changed rules requiring provision of appraisals reports as well as other written valuations, for first lien mortgages. The former “Appraisal disclosure” item was deleted; the information is now supplied by the rule.

<sup>2</sup> The transaction-related figures reflect a decrease in mortgage transactions, compared to prior FTC estimates. The figures assume that approximately three-quarters of applicable mortgage transactions (.75 x 2,900,000, or 2,175,000) would not otherwise provide this information, and that another 725,000 transactions (not closed, etc.) would be affected; the FTC would have one-half of the total, or 1,450,000.

## Regulation B: Recordkeeping and Disclosures – Cost<sup>25</sup>

Required Task	-----Managerial-----		-----Skilled Technical-----		-----Clerical-----		Total Cost (\$)
	Time (hours)	Cost (\$56/hr.)	Time (hours)	Cost (\$42/hr.)	Time (hours)	Cost (\$17/hr.)	
General recordkeeping	0	\$0	66,260	\$2,782,920	596,340	\$10,137,780	\$12,920,700
Other recordkeeping	0	\$0	48,333	\$2,029,986	0	\$0	\$2,029,986
Recordkeeping of self-test	0	\$0	1,375	\$57,750	0	\$0	\$57,750
Recordkeeping of corrective action	0	\$0	552	\$23,184	0	\$0	\$23,184
Total Recordkeeping							\$15,031,620
Disclosures:							
Credit history reporting	30,921	\$1,731,576	278,292	\$11,688,264	0	\$0	\$13,419,840
Adverse action notices	83,929	\$4,700,024	755,364	\$31,725,288	0	\$0	\$36,425,312
Appraisal reports	1708	\$95,648	15,375	\$645,750	0	\$0	\$741,398
Self-test disclosure	97	\$5,432	877	\$36,834	0	\$0	\$42,266
Total Disclosures							\$50,628,816
Total Recordkeeping and Disclosures							\$65,660,436

<sup>25</sup> NADA’s comment, in part, refers to dealer burden related to credit reports and the provision of credit score disclosures, which fall under the Fair Credit Reporting Act, 15 U.S.C. 1681 *et seq.*, and the Risk-Based Pricing Rule, 16 CFR part 640. They are not the subject of this PRA submission.

## 2. Regulation E

The EFTA requires that covered entities provide consumers with accurate disclosure of the costs, terms, and rights relating to EFT and certain other services. Regulation E implements the EFTA, establishing disclosure and other requirements to aid consumers and recordkeeping requirements to assist agencies with enforcement. It applies to financial institutions, retailers, gift card issuers and others that provide gift cards, service providers, various federal and state agencies offering EFTs, etc. Staff estimates that Regulation E's recordkeeping requirements affect 327,460 firms offering EFT services to consumers and that are subject to the Commission's jurisdiction, at an average annual burden of one hour per firm, for a total of 327,460 hours.

### Burden Totals

Recordkeeping: **327,460 hours** (312,500 + 15,040 carve-out);

**\$6,385,470** (\$6,092,190 + \$293,280 carve-out), **associated labor costs**

Disclosures: **7,179,270 hours** (7,162,563 + 16,707 carve-out);

**\$311,588,654** (\$310,863,566 + \$725,088 carve-out), **associated labor costs**

### Regulation E: Disclosures – Burden Hours

Disclosures	Respondents	----- Setup/Monitoring -----		Number of Transactions	----- Transaction-related -----		
		Average Burden per Respondent (hours)	Total Setup/Monitoring Burden (hours)		Average Burden per Transaction (minutes)	Total Transaction Burden (hours)	Total Burden (hours)
Initial terms	50,000	.5	25,000	500,000	.02	167	25,167
Change in terms	12,500	.5	6,250	16,500,000	.02	5,500	11,750
Periodic statements	50,000	.5	25,000	600,000,000	.02	200,000	225,000
Error resolution	50,000	.5	25,000	500,000	5	41,667	66,667
Transaction receipts	50,000	.5	25,000	2,500,000,000	.02	833,333	858,333
Preauthorized transfers <sup>1</sup>	257,520	.5	128,760	6,438,000	.25	26,825	155,585
Service provider notices	50,000	.25	12,500	500,000	.25	2,083	14,583
Govt. benefit notices	5,000	.5	2,500	50,000,000	.25	208,333	210,833
ATM notices	250	.25	63	50,000,000	.25	208,333	208,396
Electronic check conversion <sup>2</sup>	57,520	.5	28,760	1,150,400	.02	383	29,143
Payroll cards	125	.5	63	500,000	3	25,000	25,063
Overdraft services	50,000	.5	25,000	2,500,000	.02	833	25,833
Gift cards <sup>3</sup>	25,000	.5	12,500	1,250,000,000	.02	416,667	429,167
Remittance transfers <sup>4</sup>							
Disclosures	5,000	1.25	6,250	100,000,000	.9	1,500,000	1,506,250
Error resolution	5,000	1.25	6,250	125,000,000	.9	1,875,000	1,881,250

Agent compliance	5,000	1.25	6,250	100,000,000	.9	1,500,000	1,506,250
Total							7,179,270

<sup>1</sup> Preauthorized transfer respondents and transactions have decreased slightly.

<sup>2</sup> Electronic check conversion respondents and transactions have decreased slightly.

<sup>3</sup> Gift card entities and transactions under FTC jurisdiction (which excludes banks and bank transactions) have decreased.

<sup>4</sup> Remittance transfer respondents now focus primarily on those that may offer services and are responsible for legal requirements (not separate inclusion of their offices). Legal changes have eased compliance, but they require system changes causing an increase in setup burden and a decrease in transaction burden. Remittance transfers have increased substantially but error resolutions have increased to a smaller degree due to changes in legal requirements. The resulting transaction burden in each category for remittance transfers has increased due to the upswing in transaction volume.

## Regulation E: Recordkeeping and Disclosures – Cost

Required Task	-----Managerial-----		-----Skilled Technical-----		-----Clerical-----		Total Cost (\$)
	Time (hours)	Cost (\$56/hr.)	Time (hours)	Cost (\$42/hr.)	Time (hours)	Cost (\$17/hr.)	
Recordkeeping	0	\$0	32,746	\$1,375,332	294,714	\$5,010,138	\$6,385,470
Disclosures:							
Initial terms	2,517	\$140,952	22,650	\$951,300	0	\$0	\$1,092,252
Change in terms	1,175	\$65,800	10,750	\$451,500	0	\$0	\$517,300
Periodic statements	22,500	\$1,260,000	202,500	\$8,505,000	0	\$0	\$9,765,000
Error resolution	6,667	\$373,352	60,000	\$2,520,000	0	\$0	\$2,893,352
Transaction receipts	85,833	\$4,806,648	772,500	\$32,445,000	0	\$0	\$37,251,648
Preauthorized transfers	15,558	\$871,248	140,027	\$5,881,134	0	\$0	\$6,752,382
Service provider notices	1,458	\$81,648	13,125	\$551,250	0	\$0	\$632,898
Govt. benefit notices	21,083	\$1,180,648	189,750	\$7,969,500	0	\$0	\$9,150,148
ATM notices	20,840	\$1,167,040	187,556	\$7,877,352	0	\$0	\$9,044,392
Electronic check conversion	2,914	\$163,184	26,229	\$1,101,618	0	\$0	\$1,264,802
Payroll cards	2,506	\$140,336	22,557	\$947,394	0	\$0	\$1,087,730
Overdraft services	2,583	\$144,648	23,250	\$976,500	0	\$0	\$1,121,148
Gift cards	85,833	\$2,403,352	386,250	\$16,222,500	0	\$0	\$18,626,852
Remittance transfers							
Disclosures	150,625	\$8,435,000	1,355,625	\$56,936,250	0	\$0	\$65,371,250
Error resolution	188,125	\$10,535,000	1,693,125	\$71,111,250	0	\$0	\$81,646,250
Agent compliance	150,625	\$8,435,000	1,355,625	\$56,936,250	0	\$0	\$65,371,250
Total Disclosures							\$311,588,654
Total Recordkeeping and Disclosures							\$317,974,124

### 3. Regulation M

The CLA requires that covered entities provide consumers with accurate disclosure of the costs and terms of leases. Regulation M implements the CLA, establishing disclosure requirements to help consumers comparison shop and understand the terms of leases and recordkeeping requirements. It applies to vehicle lessors (such as auto dealers, independent leasing companies, and manufacturers' captive finance companies), computer lessors (such as computer dealers and other retailers), furniture lessors, various electronic commerce lessors,

diverse types of lease advertisers, and others.

Staff estimates that Regulation M's recordkeeping requirements affect approximately 32,577 firms within the FTC's jurisdiction leasing products to consumers at an average annual burden of one hour per firm, for a total of 32,577 hours.

In its June 1, 2015 comment, NADA asserts that "daily compliance burdens at a dealership often must be handled by managerial, not clerical staff."<sup>26</sup> NADA also asserts that "[m]any dealers are small businesses that do not benefit from sophisticated records retention or computer systems, and cannot leverage robust compliance structures. Even larger dealer groups often do not have the economy of scale necessary to justify in-house legal counsel, compliance staff, or other expert or technical resources. As a result, they rely heavily on outside counsel, consultants, and computer and other experts to help them to comply with their regulatory obligations – and pay the concomitant fees associated with those third party services."

While Regulation M covers not only NADA's membership of franchised car and truck dealers, but also independent motor vehicle dealers and non-motor vehicle dealers, NADA's constituency comprises a significantly large proportion of the overall affected population to warrant a reassessment of and adjustment to FTC staff's prior estimates of labor cost burden under Regulation M. It is not practicable, however, to make projections about and provide estimates regarding the additional or alternative use of such outside sources to maintain regulatory compliance (neither has NADA attempted to do so in its comment). Instead, the FTC's revised labor cost estimates increase apportionment to managerially performed tasks from 10% to 90%, and remove "clerical" support, while allocating the remaining 10% to skilled

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<sup>26</sup> However, the only apportioning in the FTC's estimates to clerical staff was for recordkeeping. The remaining attributions, for disclosure, had been to managerial (10%) and skilled technical (90%) staff.



technical staff.<sup>27</sup> It is worth noting that in NADA's survey of its members in 2012 – reincorporated in NADA's 2015 comment – the purported average response for labor apportionment for all facets of complying with Regulation M was no more than 61.5% for managerial staff, 24.7% for technical staff, and 13.9% for clerical staff. Accordingly, FTC staff believes that its reapportionment of labor costing under Regulation M is a fair response to these varying propositions and conditions.

#### Burden Totals<sup>28</sup>

Recordkeeping: **32,577 hours** (5,000 + 27,577 carve-out);

**\$1,778,700** (\$273,000 + \$1,505,700 carve-out), **associated labor costs**

Disclosures: **73,933 hours** (2,986 + 70,947 carve-out);

**\$4,036,732** (\$163,030 + \$3,873,702 carve-out), **associated labor costs**

#### Regulation M: Disclosures – Burden Hours

Disclosures	Respondents	Setup/Monitoring		Number of Transactions	Transaction-related		
		Average Burden per Respondent (hours)	Total Setup/Monitoring Burden (hours)		Average Burden per Transaction (minutes)	Total Transaction Burden (hours)	Total Burden (hours)
Motor Vehicle Leases <sup>1</sup>	27,577	1	27,577	4,000,000	.50	33,333	60,910
Other Leases <sup>2</sup>	5,000	.50	2,500	100,000	.25	417	2,917
Advertising <sup>3</sup>	15,181	.50	7,591	603,490	.25	2,515	10,106
Total							73,933

<sup>1</sup> This category focuses on consumer vehicle leases. Vehicle leases are subject to more lease disclosure requirements (pertaining to computation of payment obligations) than other lease transactions. (Only consumer leases for more than four months are covered.) See 15 U.S.C. 1667(1); 12 CFR 1013.2(e)(1). While the number of respondents for vehicle leases has decreased, the number of vehicle lease transactions has increased,

<sup>27</sup> As noted above, although NADA made these same assertions for Regulations B and Z as it had for Regulation M, NADA's members comprise a significantly smaller proportion of those regulations' covered entities than they do for Regulation M. In FTC staff's view, to adopt the same revised assumptions and adjustments for those regulations as made here for Regulation M would unduly skew the results for Regulations B and Z. Accordingly, the FTC has retained its prior analysis regarding those regulations. See *supra* note 17.

<sup>28</sup> Recordkeeping and disclosure burden estimates for Regulation M are more substantial for motor vehicle leases than for other leases, including burden estimates based on market changes and regulatory definitions of coverage. As noted above, for purposes of burden calculations, and in view of the different types of motor vehicle dealers, the FTC is including the entire PRA burden for all motor vehicle dealers in the burden estimates below.

with market changes, from past FTC estimates. Additionally, leases up to \$54,600 (plus an annual adjustment) are now covered. The resulting total burden has increased.

<sup>2</sup> This category focuses on all types of consumer leases other than vehicle leases. It includes leases for computers, other electronics, small appliances, furniture, and other transactions. (Only consumer leases for more than four months are covered.) See 15 U.S.C. 1667(1); 12 CFR 1013.2(e)(1). The number of respondents has decreased, based on market changes in companies and types of transactions they offer; the number of such transactions has also declined, based on types of transactions offered that are covered by the CLA. Leases up to \$54,600 (plus an annual adjustment) are now covered. The resulting total burden has decreased.

<sup>3</sup> Respondents for advertising have increased as have lease advertisements, based on market changes, from past FTC estimates. More types of lease advertisements are occurring. The resulting total burden has increased.

## Regulation M: Recordkeeping and Disclosures – Cost

Required Task	-----Managerial-----		-----Skilled Technical-----		-----Clerical-----		Total
	Time (hours)	Cost (\$56/hr.)	Time (hours)	Cost (\$42/hr.)	Time (hours)	Cost (\$17/hr.)	Cost (\$)
Recordkeeping	29,319	\$1,641,864	3,258	\$136,836	0	0	\$1,778,700
Disclosures:							
Motor Vehicle Leases	54,819	\$3,069,864	6,091	\$255,822	0	0	\$3,325,686
Other Leases	2,625	\$147,000	292	\$12,264	0	0	\$159,264
Advertising	9,095	\$509,320	1,011	\$42,462	0	0	\$551,782
Total Disclosures							\$4,036,732
Total Recordkeeping and Disclosures							\$5,815,432

## 4. Regulation Z

The TILA was enacted to foster comparison credit shopping and informed credit decision making by requiring creditors and others to provide accurate disclosures regarding the costs and terms of credit to consumers. Regulation Z implements the TILA, establishing disclosure requirements to assist consumers and recordkeeping requirements to assist agencies with enforcement. These requirements pertain to open-end and closed-end credit and apply to various types of entities, including mortgage companies; finance companies; auto dealerships; private education loan companies; merchants who extend credit for goods or services; credit advertisers; acquirers of mortgages; and others. New requirements have been established in the mortgage area, including for high cost mortgages, higher-priced mortgage loans,<sup>29</sup> ability to pay of

<sup>29</sup> While Regulation Z also requires the creditor to provide a short written disclosure regarding the appraisal process for higher-priced mortgage loans, the disclosure is now provided by the CFPB. As a result, it is not a “collection of information” for PRA purposes; it is therefore excluded from the burden estimates below. See 5 CFR 1320.3(c)(2), and CFPB, Final Rule, Appraisals for Higher-Priced Mortgage Loans, 78 FR 10368, 10430 (Feb. 13,

mortgage consumers, mortgage servicing, loan originators, and certain integrated mortgage disclosures.

FTC staff estimates that Regulation Z's recordkeeping requirements affect approximately 530,080 entities subject to the Commission's jurisdiction, at an average annual burden of 1.25 hours per entity with .25 additional hours per entity for 5,000 entities (ability to pay), and 5 additional hours per entity for 5,000 entities (loan originators).

#### Burden Totals

Recordkeeping: **688,850 hours** (613,650 + 75,200 carve-out);

**\$13,432,575** (\$11,966,175 + \$1,466,400 carve-out), **associated labor costs**

Disclosures: **13,008,452 hours** (11,964,361 + 1,044,091 carve-out);

**\$553,563,761** (\$508,250,213 + \$45,313,548 carve-out), **associated labor costs**

#### Regulation Z: Disclosures – Burden Hours

Disclosures <sup>1</sup>	Respondents	Setup/Monitoring		Number of Transactions	Transaction-related		
		Average Burden per Respondent <sup>2</sup> (hours)	Total Setup/Monitoring Burden (hours)		Average Burden per Transaction <sup>3</sup> (minutes)	Total Transaction Burden (hours)	Total Burden (hours)
Open-end credit:							
Initial terms	45,000	.75	33,750	20,000,000	.375	125,000	158,750
Rescission notices <sup>4</sup>	1,500	.5	750	8,000	.25	33	783
Subsequent disclosures	10,000	.75	7,500	62,500,000	.188	195,833	203,333
Periodic statements	45,000	.75	33,750	1,750,000,000	.0938	2,735,833	2,769,583
Error resolution	45,000	.75	33,750	4,000,000	6	400,000	433,750
Credit and charge card accounts	25,000	.75	18,750	12,500,000	.375	78,125	96,875
Settlement of estate debts	45,000	.75	33,750	1,000,000	.375	6,250	40,000
Special credit card requirements	25,000	.75	18,750	12,500,000	.375	78,125	96,875
Home equity lines of credit <sup>5</sup>	1,500	.5	750	10,000	.25	42	792
Home equity lines of credit-high cost mortgages <sup>6</sup>	500	2	1,000	5,000	2	167	1,167
College student credit card marketing – ed. institutions	2,500	.5	1,250	250,000	.25	1,042	2,292
College student credit card marketing – card issuer reports	300	.75	225	18,000	.75	225	450
Posting and reporting of credit card agreements	25,000	.75	18,750	12,500,000	.375	78,125	96,875
Advertising	100,000	.75	75,000	300,000	.75	3,750	78,750
Sale, transfer, or assignment of mortgages <sup>7</sup>	1,500	.5	750	1,750,000	.25	7,292	8,042
Appraiser misconduct							

2013), and Supplemental Final Rule, Appraisals for Higher-Priced Mortgage Loans, 78 FR 78520, 78575 (Dec. 26, 2013).

reporting	625,000	.75	468,750	12,500,000	.375	78,125	546,875
Mortgage servicing <sup>8</sup>	2,500	.5	1,250	500,000	.5	4,167	5,417
Loan originators <sup>9</sup>	2,500	2	5,000	25,000	5	2,083	7,083
Closed-end credit:							
Credit disclosures <sup>10</sup>	380,080	.75	285,060	163,054,320	2.25	6,114,537	6,399,597
Rescission notices <sup>11</sup>	5,000	.5	2,500	7,500,000	1	125,000	127,500
Redisclosures	200,000	.5	100,000	1,000,000	2.25	37,500	137,500
Integrated mortgage disclosures <sup>12</sup>	5,000	10	50,000	15,000,000	3.5	875,000	925,000
Variable rate mortgages <sup>13</sup>	5,000	1	5,000	500,000	1.75	14,583	19,583
High cost mortgages <sup>14</sup>	3,000	1	3,000	75,000	2	2,500	5,500
Higher priced mortgages <sup>15</sup>	3,000	1	3,000	25,000	2	833	3,833
Reverse mortgages <sup>16</sup>	7,500	.5	3,750	35,000	1	583	4,333
Advertising <sup>17</sup>	248,360	.5	124,180	2,483,600	1	41,393	165,573
Private education loans	100	.5	50	50,000	1.5	1,250	1,300
Sale, transfer, or assignment of mortgages	100,000	.5	50,000	5,000,000	.25	20,833	70,833
Ability to pay/qualified mortgage <sup>18</sup>	5,000	.75	3,750	0	0	0	3,750
Appraiser misconduct reporting	625,000	.75	468,750	12,500,000	.375	78,125	546,875
Mortgage servicing <sup>19</sup>	5,000	1	5,000	1,000,000	2.25	37,500	42,500
Loan originators <sup>20</sup>	2,500	2	5,000	25,000	5	2,083	7,083
Total open-end credit							4,547,692
Total closed-end credit							8,460,760
Total credit							13,008,452

<sup>1</sup> Regulation Z requires disclosures for closed-end and open-end credit. TILA and Regulation Z now cover credit up to \$54,600 plus an annual adjustment (except that real estate credit and private education loans are covered regardless of amount), generally causing an increase in transactions. In some instances noted below, market changes have reduced estimated PRA burden. In other instances noted below, changes to Regulation Z have increased estimated PRA burden. The overall effect of these competing factors, combined with the FTC sharing with the CFPB estimated PRA burden (for all but motor vehicle dealers) yields a net increase from the FTC's prior reported estimate for open-end credit and for closed-end credit.

<sup>2</sup> Burden per respondent in some categories has increased compared to prior FTC estimates, due to changes in rules.

<sup>3</sup> Burden per transaction in some categories has increased compared to prior FTC estimates, due to changes in rules.

<sup>4</sup> Respondents for mortgages involving rescission have decreased, as have transactions.

<sup>5</sup> Respondents for home equity lines of credit have decreased, as have transactions.

<sup>6</sup> Regulation Z high cost mortgage rules now cover certain open-end mortgages, and a new counseling rule also applies.

<sup>7</sup> Respondents for sale, transfer or assignment of mortgages have decreased.

<sup>8</sup> Regulation Z has expanded various mortgage servicing requirements for prompt crediting and payoff responses.

<sup>9</sup> Regulation Z includes new loan originator compensation requirements.

<sup>10</sup> Respondents for credit disclosures have decreased, as have transactions.

<sup>11</sup> Respondents for mortgages involving rescission have decreased.

<sup>12</sup> Regulation Z now has integrated mortgage disclosure requirements for loan estimates and loan closing documents, with other requirements.

<sup>13</sup> Respondents for variable rate mortgages have decreased but Regulation Z has expanded mortgage disclosure requirements affecting subsequent disclosures, increasing burden.

<sup>14</sup> Regulation Z high rate/high fee mortgages are now called "high cost" mortgages. Respondents in high cost mortgages have decreased, but the rules cover more types of mortgages and include a counseling requirement, increasing burden. However, these types of transactions have decreased, reducing total burden.

<sup>15</sup> Respondents for higher priced mortgages have decreased. However, Regulation Z now has certain appraisal requirements for higher-priced mortgages, increasing burden. However, these types of transactions have decreased, reducing total burden.

<sup>16</sup> Reverse mortgage respondents and transactions have decreased.

<sup>17</sup> Advertising respondents have increased, as have transactions, causing an increased total burden.

<sup>18</sup> Regulation Z now includes ability to pay rules that affect setup costs.

<sup>19</sup> Regulation Z has expanded various mortgage servicing requirements for prompt crediting and payoff responses. It also requires periodic statements (or a coupon book, for fixed-rate mortgages).

<sup>20</sup> Regulation Z includes new loan originator compensation requirements.

## Regulation Z: Recordkeeping and Disclosures – Cost

Required Task	-----Managerial-----		-----Skilled Technical-----		-----Clerical-----		Total Cost (\$)
	Time (hours)	Cost (\$56/hr.)	Time (hours)	Cost (\$42/hr.)	Time (hours)	Cost (\$17/hr.)	
Recordkeeping	0	\$0	68,885	\$2,893,170	619,965	\$10,539,405	\$13,432,575
Open-end credit Disclosures:							
Initial terms	15,875	\$889,000	142,875	\$6,000,750	0	\$0	\$6,889,750
Rescission notices	78	\$4,368	705	\$29,610	0	\$0	\$33,978
Subsequent disclosures	20,333	\$1,138,648	183,000	\$7,686,000	0	\$0	\$8,824,648
Periodic statements	276,958	\$15,509,648	2,492,625	\$104,690,250	0	\$0	\$120,199,898
Error resolution	43,375	\$2,429,000	390,375	\$16,395,750	0	\$0	\$18,824,750
Credit and charge card accounts	9,688	\$474,712	87,187	\$2,615,610	0	\$0	\$3,090,322
Settlement of estate debts	4,000	\$196,000	36,000	\$1,080,000	0	\$0	\$1,276,000
Special credit card requirements	9,688	\$474,712	87,187	\$2,615,610	0	\$0	\$3,090,322
Home equity lines of credit	458	\$22,442	4,126	\$123,780	0	\$0	\$146,222
Home equity lines of credit –high cost mortgages	117	\$6,552	1050	\$44,100	0	\$0	\$50,662
College student credit card marketing – ed institutions	229	\$11,221	2,063	\$61,890	0	\$0	\$73,111
College student credit card marketing – card issuer reports	45	\$2,205	405	\$12,150	0	\$0	\$14,355
Posting and reporting of credit card agreements	9,688	\$474,712	87,187	\$2,615,610	0	\$0	\$3,090,322
Advertising	7,875	\$385,875	70,875	\$2,126,250	0	\$0	\$2,512,125
Sale, transfer, or assignment of mortgages	823	\$40,327	7,407	\$222,210	0	\$0	\$262,537
Appraiser misconduct reporting	54,687	\$2,679,663	492,188	\$14,765,640	0	\$0	\$17,445,303
Mortgage servicing	542	\$30,352	4,875	\$204,750	0	\$0	\$235,102
Loan originators	708	\$39,648	6,375	\$267,750	0	\$0	\$307,398
Total open-end credit							\$186,366,805
Closed-end credit Disclosures:							
Credit disclosures	639,960	\$35,837,760	5,759,637	\$241,904,754	0	\$0	\$277,742,514
Rescission notices	12,750	\$714,000	114,750	\$4,819,500	0	\$0	\$5,533,500
Redisclosures	13,750	\$770,000	123,750	\$5,197,500	0	\$0	\$5,967,500
Integrated mortgage disclosures	92,500	\$5,180,000	832,500	\$34,965,000	0	\$0	\$40,145,000
Variable rate mortgages	1,958	\$109,648	17,625	\$740,250	0	\$0	\$849,898
High cost mortgages	550	\$30,800	4,950	\$207,900	0	\$0	\$238,700
Higher priced mortgages	383	\$21,448	3,450	\$144,900	0	\$0	\$166,348
Reverse mortgages	433	\$24,248	3,900	\$163,800	0	\$0	\$188,048
Advertising	16,557	\$927,192	149,016	\$6,258,672	0	\$0	\$7,185,864
Private education loans	130	\$7,280	1,170	\$49,140	0	\$0	\$56,420
Sale, transfer, or assignment of mortgages	7,083	\$396,648	63,750	\$2,677,500	0	\$0	\$3,074,148
Ability to pay/qualified mortgage	375	\$21,000	3,375	\$141,750	0	\$0	\$162,750
Appraiser misconduct reporting	54,687	\$3,062,472	492,188	\$20,671,896	0	\$0	\$23,734,368
Mortgage servicing	4,250	\$238,000	38,250	\$1,606,500	0	\$0	\$1,844,500
Loan originators	708	\$39,648	6,375	\$267,750	0	\$0	\$307,398
Total closed-end credit							\$367,196,956
Total Disclosures							\$553,563,761
Total Recordkeeping and Disclosures							\$566,996,336

**Request for Comment:** You can file a comment online or on paper. For the

Commission to consider your comment, we must receive it on or before [INSERT DATE 30

DAYS FROM DATE OF PUBLICATION IN THE **FEDERAL REGISTER**]. Write “Regs BEMZ, PRA Comments, P084812” on your comment. Your comment - including your name and your state - will be placed on the public record of this proceeding, including to the extent practicable, on the public Commission Website, at <http://www.ftc.gov/os/publiccomments.shtm>. As a matter of discretion, the Commission tries to remove individuals’ home contact information from comments before placing them on the Commission Website.

Because your comment will be made public, you are solely responsible for making sure that your comment does not include any sensitive personal information, like anyone’s Social Security number, date of birth, driver’s license number or other state identification number or foreign country equivalent, passport number, financial account number, or credit or debit card number. You are also solely responsible for making sure that your comment doesn’t include any sensitive health information, like medical records or other individually identifiable health information. In addition, don’t include any “[t]rade secret or any commercial or financial information . . . which is privileged or confidential” as provided in Section 6(f) of the FTC Act 15 U.S.C. 46(f), and FTC Rule 4.10(a)(2), 16 CFR 4.10(a)(2). In particular, don’t include competitively sensitive information such as costs, sales statistics, inventories, formulas, patterns devices, manufacturing processes, or customer names.

If you want the Commission to give your comment confidential treatment, you must file it in paper form, with a request for confidential treatment, and you have to follow the procedure explained in FTC Rule 4.9(c)).<sup>30</sup> Your comment will be kept confidential only if the FTC General Counsel, in his or her sole discretion, grants your request in accordance with the law and

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<sup>30</sup> In particular, the written request for confidential treatment that accompanies the comment must include the factual and legal basis for the request, and must identify the specific portions of the comment to be withheld from the public record. See FTC Rule 4.9(c), CFR 4.9(c), 16 CFR 4.9(c).

the public interest.

Postal mail addressed to the Commission is subject to delay due to heightened security screening. As a result, we encourage you to submit your comments online. To make sure that the Commission considers your online comment, you must file it at <https://ftcpublic.commentworks.com/ftc/RegsBEMZpra2>, by following the instructions on the web-based form. When this Notice appears at <http://www.regulations.gov/#!/home>, you also may file a comment through that website.

If you file your comment on paper, write “Regs BEMZ, PRA Comments, P084812” on your comment and on the envelope, and mail or deliver it to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue, NW, Suite CC-5610 (Annex J), or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7<sup>th</sup> Street, SW, 5<sup>th</sup> Floor, Suite 5610 (Annex J), Washington, DC 20024. If possible, submit your paper comment to the Commission by courier or overnight service.

The FTC Act and other laws that the Commission administers permit the collection of public comments to consider and use in this proceeding as appropriate. The Commission will consider all timely and responsive public comments that it receives on or before [insert date 30 days from FEDERAL REGISTER date of publication]. For information on the Commission’s privacy policy, including routine uses permitted by the Privacy Act, see <http://www.ftc.gov/ftc/privacy.htm>. For supporting documentation and other information underlying the PRA discussion in this Notice, see <http://www.reginfo.gov/public/jsp/PRA/pradashboard.jsp>.

Comments on the information collection requirements subject to review under the PRA

should additionally be submitted to OMB. If sent by U.S. mail, they should be addressed to Office of Information and Regulatory Affairs, Office of Management and Budget, Attention: Desk Officer for the Federal Trade Commission, New Executive Office Building, Docket Library, Room 10102, 725 17th Street, NW, Washington, DC 20503. Comments sent to OMB by U.S. postal mail, however, are subject to delays due to heightened security precautions. Thus, comments instead should be sent by facsimile to (202) 395-5806.

Christian S. White

Acting Principal Deputy General Counsel.

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